

COVERAGE OF FEDERAL EMPLOYEES UNDER SOCIAL SECURITY ACT

1. Extract from Social Security Act, as amended through 1953

"Definition of Employment

"Sec. 210. For the purposes of this title -

"Employment

"(a) The term 'employment' means any service performed after 1936 and prior to 1951 which was employment for the purposes of this title under the law applicable to the period in which such service was performed, and any service, of whatever nature, performed after 1950 either (A) by an employee for the person employing him, irrespective of the citizenship or residence of either, (i) within the United States, or (ii) on or in connection with an American vessel or American aircraft under a contract of service which is entered into within the United States or during the performance of which and while the employee is employed on the vessel or aircraft it touches at a port in the United States, if the employee is employed on and in connection with such vessel or aircraft when outside the United States, or (B) outside the United States by a citizen of the United States as an employee for an American employer (as defined in subsection (e)); except that, in the case of service performed after 1950, such term shall not include. . . .

"7(C) Service performed in the employ of the United States or in the employ of any instrumentality of the United States, if such service is performed -

"(i) as the President or Vice President of the United States or as a Member, Delegate, or Resident Commissioner, of or to the Congress;

"(ii) in the legislative branch;

"(iii) in the field service of the Post Office Department unless performed by an individual as an employee who is excluded by Executive order from the operation of the Civil Service Retirement Act of 1930 because he is serving under a temporary appointment pending final determination of eligibility for permanent or indefinite appointment;

"(iv) in or under the Bureau of the Census of the Department of Commerce by temporary employees employed for the taking of any census;

"(v) by any individual as an employee who is excluded by Executive order from the operation of the Civil Service Retirement Act of 1930 because he is paid on a contract or fee basis;

"(vi) by any individual as an employee receiving nominal compensation of \$12 or less per annum;

"(vii) in a hospital, home, or other institution of the United States by a patient or inmate thereof;

"(viii) by any individual as a consular agent appointed under authority of section 551 of the Foreign Service Act of 1946 (22 U.S.C., sec. 951);

"(ix) by any individual as an employee included under section 2 of the Act of August 4, 1947 (relating to certain interns, student nurses, and other student employees of hospitals of the Federal Government; 5 U.S.C., sec. 1052);

"(x) by any individual as an employee serving on a temporary basis in case of fire, storm, earthquake, flood, or other similar emergency;

"(xi) by any individual as an employee who is employed under a Federal relief program to relieve him from unemployment;

"(xii) as a member of a State, county, or community committee under the Production and Marketing Administration or of any other board, council, committee, or other similar body, unless such board, council, committee, or other body is composed exclusively of individuals otherwise in the full-time employ of the United States; or

"(xiii) by an individual to whom the Civil Service Retirement Act of 1930 does not apply because such individual is subject to another retirement system;. . . ."

2. Extract from Social Security Amendments of 1954

Title I - Amendments to Title II of the Social Security Act

"Extension of Coverage

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"Certain Federal Employees

"(2) Subparagraph (C) of such paragraph Section 210(a) of the Social Security Act/is amended to read as follows:

"(C) Service performed in the employ of the United States or in the employ of any instrumentality of the United States, if such service is performed -

"(i) as the President or Vice President of the United States or as a Member, Delegate, or Resident Commissioner of or to the Congress;

"(ii) in the legislative branch;

"(iii) in a penal institution of the United States by an inmate thereof;

"(iv) by any individual as an employee included under section 2 of the Act of August 4, 1947 (relating to certain interns, student nurses, and other student employees of hospitals of the Federal Government; 5 U.S.C., sec. 1052);

"(v) by any individual as an employee serving on a temporary basis in case of fire, storm, earthquake, flood, or other similar emergency; or

"(d) by any individual to whom the Civil Service Retirement Act of 1930 does not apply because such individual is subject to another retirement system."

"Effective Dates

"(n) The amendment made by paragraph (3) of subsection (g) shall be applicable only with respect to taxable years beginning after 1950. The amendments made by paragraphs (1), (2), and (4) of such subsection and by subsection (d) shall, except for purposes of section 203 of the Social Security Act, be applicable only with respect to taxable years ending after 1954. The amendments made by paragraphs (1), (2), and (3) of subsection (a) shall be applicable only with respect to remuneration paid after 1954. The amendments made by paragraphs (4), (5), and (6) of subsection (a) shall be applicable only with respect to services (whether performed after 1954 or prior to 1955) for which the remuneration is paid after 1954. The amendment made by paragraph (3) of subsection (c) shall become effective January 1, 1955. The other amendments made by this section (other than the amendments made by subsections (h), (i), (j) and (m) shall be applicable only with respect to services performed after 1954. For purposes of section 203 of the Social Security Act, the amendments made by paragraphs (1), (2), and (4) of subsection (g) and by subsection (d) shall be effective with respect to net earnings from self-employment derived after 1954. The amount of net earnings from self-employment derived during any taxable year ending in, and not with the close of, 1955 shall be credited equally to the calendar quarter in which such taxable year ends and to each of the three or fewer preceding quarters any part of which is in such taxable year; and, for purposes of the preceding sentence of this subsection, net earnings from self-employment so credited to calendar quarters in 1955 shall be deemed to have been derived after 1954."

Title II - Amendments to Internal Revenue Codes of 1939 and 1954

**"Amendments to Definitions of Self-Employment
Income and Related Definitions**

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"Amendments to Definition of Employment^{1/}

"Sec. 205. (a) Section 3121 (b) (1) of the Internal Revenue Code of 1954 is amended to read as follows:

"(2) Subparagraph (C) of such paragraph is amended to read as follows:

"(C) service performed in the employ of the United States or in the employ of any instrumentality of the United States, if such service is performed -

"(i) as the President or Vice President of the United States or as a Member, Delegate, or Resident Commissioner of or to the Congress;

"(ii) in the legislative branch;

"(iii) in a penal institution of the United States by an inmate thereof;

"(iv) by any individual as an employee included under section 2 of the Act of August 4, 1947 (relating to certain interns, student nurses, and other student employees of hospitals of the Federal Government; 5 U.S.C., sec. 1052);

"(v) by any individual as an employee serving on a temporary basis in case of fire, storm, earthquake, flood, or other similar emergency; or

"(vi) by any individual to whom the Civil Service Retirement Act of 1930 does not apply because such individual is subject to another retirement system."

1/ This section eliminates the exclusion of Federal employees paid on a contract or fee basis from the definition of employment contained in the Internal Revenue Code.